



December 20, 2004 WC-04-405 Comment:

The only question I have regarding this petition is "Why bother?"

Current BOC DSL business practices (1), which includes Bell South, limit the ability of "Internal" competitors to compete to the point where those with a wholesale agreement to sell the BOC DSL service are limited to less than 10% - in some areas less than 5% - of the market. Apparently Bell South believes that competition from Cable is sufficient to justify denying the use of their legacy copper wireline facilities under any and all arrangements.

Bell South conveniently overlooks the simple fact that telephone service is universal and cable is not.

Approval of the Bell South petition would mean that in those locations where cable is not available, Bell South would be the only choice for broadband Internet unless the consumer is willing to pay exorbitant rates for Satellite or they live in an area where someone has installed unregulated or regulated wireless broadband - which is currently in less than one percent (1%) of the geographical area of the United States.

Given that access to cable facilities by independent providers is denied (pending a court decision), consumers are thus limited to a choice between their cable company's Internet provision or Bell South DSL in those areas where cable is available or to just Bell South's DSL offering where cable isn't available - should this petition be granted.

This further means that Satellite Television becomes less attractive for the consumer who does not want to use Bell South's DSL service for any reason and thus is forced to subscribe to cable in order to get broadband service. So not only would consumer choice be further limited with regard to broadband service but unintended consequences would also limit the consumer choices for television service.

Bell South and the other RBOC DSL offerings do not differentiate between urban and rural areas, which in turn means that the wholesale operator in rural areas is disadvantaged when in competition with the BOC subsidiary because of the cost of bandwidth in rural areas is often ten times that in urban areas.

Bell South often makes the point that DSL should not be subject to Computer II or CEI rules. If that is true, then why has this petition been filed, why bother?

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(1) By BOC DSL business practices, I mean:

1. Package discounts offered by the BOC that exclude participation by wholesale resellers of the BOC DSL offering except for the BOC owned subsidiary.
2. Rebates and discounts to the consumer if the BOC owned subsidiary is selected instead of another wholesaler.
3. Direct referrals by the business office of the BOC that are made to the subsidiary and not to any other independent DSL provider that has a wholesale contract with the BOC.
4. Reference to the BOC subsidiary on the regulated BOC web pages and the exclusion of other, independent wholesalers from that page.
5. Attempts to force the independent wholesaler to put up and maintain an expensive web page that is designed to look and feel as if it were the BOC subsidiary.
6. Margins between the BOC subsidiary retail price and the so-called wholesale price limit the ability of the wholesale operator to compete. An example is the retail price for DSL Lite of \$34.95 from Bell South and the corresponding wholesale price that is close to \$30.00 including USF. For \$5.00, the wholesale operator is expected to
7. And in some cases, BOC field personnel who have customer contact, such as installers and repair personnel, have an incentive plan to refer potential DSL users to the BOC subsidiary but not to any operator with a wholesale contract.
8. Every telephone customer in any given market is called repeatedly with offers of DSL service from the owned subsidiary of the BOC, with discounts offered to existing customers of a wholesale operator if they switch.